

Cost of Service Summary
Providence Water

	<u>Adjusted Test Year</u>	<u>Combined Adjustments</u>	<u>Proforma Old Rates</u>	<u>Additional Revenue Requirement</u>	<u>Proforma New rates</u>
<u>Revenue</u>					
Retail Water Sales	\$25,495,738	(\$366,419)	\$25,129,319		
Wholesale	10,850,226	-298,063	10,552,163		
Retail Service Charge	3,303,620	-156,875	3,146,745		
Private Fire Service Charge	673,843	287,095	960,938		
Public Fire protection	1,086,200	6,614	1,092,814		
Miscellaneous Income	<u>1,042,942</u>	<u>198,629</u>	<u>1,241,571</u>		
Total Revenue	42,452,569	-329,020	42,123,549	\$4,658,599 11.06%	\$46,782,148
<u>Expenses</u>					
				<u>Settlement Adjustments</u>	
Operation and Maintenance	18,940,634	3,116,446	22,057,080	-306,839	21,750,241
City Service Expense	806,769	0	806,769	-76,775	729,994
Property Taxes	4,805,320	894,723	5,700,043	-129,102	5,570,941
Capital Labor	<u>836,967</u>	<u>68,297</u>	<u>905,264</u>	<u>0</u>	<u>905,264</u>
Net Operations	25,389,690	4,079,466	29,469,156	-512,716	28,956,440
Capital Fund Cash	942,272	0	942,272		942,272
Debt Service CIP Fund	1,507,728	0	1,507,728		1,507,728
Western Cranston Fund	150,000		150,000	-87,931	62,069
Infrastructure Replacement	9,208,782	0	9,208,782		9,208,782
Debt Service IFR Fund	3,291,218	0	3,291,218		3,291,218
102" Valve	500,000	0	500,000		500,000
Alternative Source of Supply	150,000	0	150,000		150,000
Meter Replacement	400,000	0	400,000		400,000
Equipment Replacement	<u>1,100,000</u>	<u>0</u>	<u>1,100,000</u>	<u>0</u>	<u>1,100,000</u>
Net Restricted	17,250,000	0	17,250,000	-87,931	17,162,069
Total Expense	42,639,690	4,079,466	46,719,156	-600,647	46,118,509
Revenues Over (Under) Expenses (1)	<u>(\$187,121)</u>	<u>(\$4,408,486)</u>	<u>(\$4,595,607)</u>	<u>\$5,259,246</u>	<u>\$663,639</u>

(1) Includes Net Operating Revenue at 1.5% of a net revenue of \$44,242,596.

Summary of Settlement Adjustments
Providence Water

Settlement
Adjustments to
Test Year

Description

Retail Water Sales	\$0
Wholesale	159,198
Retail Service Charge	4,864
Private Fire Service Charge	349
Public Fire protection	6,614
Miscellaneous Income	<u>0</u>

Total Revenue \$171,025

Expenses

Employee Cost Increases	231,970
Employee Benefits	26,632
Capital Labor	405,532
Rate Case Expense Amortization	45,669
Chemical Cost Normalization	-525,537
State License Expense	25,000
Computer Maintenance	<u>97,573</u>
Sub-total O & M	306,839

City Service Expense	76,775
Property Tax Expense	129,102
Western Cranston Fund	<u>87,931</u>

Total Expense Adjustments 600,647

Net Operating Income adjustment (1) 18,525

Total Expense \$619,172

(1) Net Operating Income adjustment at 1.5% of 44,242,596.

Original Additional Revenue Requirement	\$5,448,798
less revenue adjustment	-171,025
less total expense adjustment	<u>-619,172</u>
Revised Additional Revenue Requirement (CA-1)	<u><u>\$4,658,601</u></u>

Calculation of Proforma Revenues at Old Rates**Providence Water**

	<u>Average Consumption</u>	<u>Docket 3163 Rates</u>	<u>Proforma Old Rates</u>
<u>Retail Metered Revenue</u>			
Residential	10,155,307	\$1.61	\$16,350,045
Commercial	4,770,757	\$1.54	7,346,965
Industrial	<u>954,873</u>	\$1.50	<u>1,432,309</u>
Sub-total Retail	15,880,937		25,129,319
Wholesale	<u>13,872,411</u>	\$0.760658	<u>10,552,163</u>
Sub-total Metered	29,753,347		35,681,482
<u>Non-metered Water Revenue</u>			
	<u>Units</u>		
Service Charge Residential	64,478		2,719,582
Commercial	6,229		375,950
Industrial	685		51,214
Private Fire Service Charge	<u>1,392</u>		<u>960,938</u>
Sub-total Service Charge	72,784		4,107,683
Public Fire Supply	5,783	\$188.97	<u>1,092,814</u>
Sub-total Non-metered			5,200,497
Total Water Revenue			<hr/> 40,881,978
Miscellaneous Revenue			<u>1,241,571</u>
Grand Total Revenue			<u><u>\$42,123,549</u></u>

CA-20 Settlement

Calculation of Water Rates**Providence Water**

		0.11395		Percentage
<u>Retail Consumption:</u>		<u>Current Rates</u>	<u>Proposed Rates</u>	<u>Increase</u>
Residential	per HCF	\$1.61	\$1.79	11.395%
Commercial	per HCF	\$1.54	\$1.72	11.395%
Industrial	per HCF	\$1.50	\$1.67	11.395%

Service Charge:		<u>Quarterly</u>		Percentage	<u>Monthly</u>		Percentage
<u>(Meter size inches)</u>		<u>Current Rates</u>	<u>Proposed Rates</u>	<u>Increase</u>	<u>Current Rates</u>	<u>Proposed Rates</u>	<u>Increase</u>
5/8		\$10.00	\$11.14	11.395%	\$5.95	\$6.63	11.395%
3/4		\$10.71	\$11.93	11.395%	\$6.16	\$6.86	11.395%
1		\$12.57	\$14.00	11.395%	\$6.78	\$7.55	11.395%
1-1/2		\$15.05	\$16.76	11.395%	\$7.60	\$8.47	11.395%
2		\$21.88	\$24.37	11.395%	\$9.88	\$11.01	11.395%
3		\$72.16	\$80.38	11.395%	\$26.64	\$29.68	11.395%
4		\$90.79	\$101.14	11.395%	\$32.85	\$36.59	11.395%
6		\$134.24	\$149.54	11.395%	\$47.33	\$52.72	11.395%
8		\$183.90	\$204.86	11.395%	\$63.89	\$71.17	11.395%
10		\$228.91	\$254.99	11.395%	\$78.89	\$87.88	11.395%
12		\$273.92	\$305.13	11.395%	\$93.89	\$104.59	11.395%

<u>Wholesale</u>	per HCF	\$0.760658	\$0.847335	11.395%
	per Million Gallons	\$1,017.00	\$1,132.89	11.395%

<u>Public Fire Supply</u>	per Hydrant	\$188.97	\$210.50	11.395%
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Private Fire Supply:		<u>Quarterly</u>		Percentage
<u>(Service size inches)</u>		<u>Current Rates</u>	<u>Proposed Rates</u>	<u>Increase</u>
3/4		\$10.77	\$12.00	11.395%
1		\$14.26	\$15.88	11.395%
1-1/2		\$23.00	\$25.62	11.395%
2		\$33.48	\$37.30	11.395%
4		\$92.87	\$103.45	11.395%
6		\$180.22	\$200.76	11.395%
8		\$285.03	\$317.51	11.395%
10		\$407.30	\$453.71	11.395%
12		\$547.05	\$609.39	11.395%

Calculation of Revenues at Present and Proposed Rates

Providence Water

	<u>Consumption</u> <u>/Units</u>	<u>Current</u> <u>Rates</u>	<u>Revenues</u> <u>Current</u>	<u>Proposed</u> <u>Rates</u>	<u>Revenues</u> <u>Proposed</u>	<u>Percent</u> <u>Increase</u>
Retail Customers						
Residential	10,155,307	\$1.61	\$16,350,045	\$1.79	\$18,213,132	11.395%
Commercial	4,770,757	\$1.54	\$7,346,965	\$1.72	\$8,184,152	11.395%
Industrial	<u>954,873</u>	\$1.50	<u>\$1,432,309</u>	\$1.67	<u>\$1,595,521</u>	11.395%
Sub-total Retail	15,880,937		\$25,129,319		\$27,992,805	
Wholesale Customers	<u>13,872,411</u>	\$0.760658	<u>\$10,552,163</u>	\$0.847335	<u>\$11,754,582</u>	11.395%
Total Consumption Revenue	29,753,347		\$35,681,482		\$39,747,387	11.395%
Residential Service Charges			\$2,719,582		\$3,029,478	11.395%
Commercial Service Charges			\$375,950		\$418,789	11.395%
Industrial Service Charges			<u>\$51,214</u>		<u>\$57,049</u>	11.395%
Sub-total Service Charges			\$3,146,745		\$3,505,317	11.395%
Private Fire Supply			\$960,938		\$1,070,437	11.395%
Hydrant Charges	5,783	\$188.97	<u>\$1,092,814</u>	\$210.50	<u>\$1,217,340</u>	11.395%
Sub-total Fire Protection			\$2,053,752		\$2,287,776	
Total Water Revenue			\$40,881,978		\$45,540,480	11.395%
Miscellaneous Revenues			<u>1,241,571</u>		<u>1,241,571</u>	0.00%
TOTAL REVENUE			\$42,123,549		\$46,782,051	11.059%
		Rate Increase			<u>\$4,658,501</u>	

CA-29 Settlement

Providence Water

Rate Impact

	D 3163 Rates	Proposed Rate	Dollar Increase	Percent <u>Increase</u>	Proposed Quarterly Bill
<u>Residential</u>					
100 HCF w/ 5/8 meter					
Customer Charge	\$40.00	\$44.56	\$4.56		
Consumption	\$161.00	\$179.35	\$18.35		
Total 100 HCF	<u>\$201.00</u>	<u>\$223.90</u>	<u>\$22.90</u>	11.395%	<u>55.98</u>
<u>Commercial</u>					
2,000 HCF w/ 2in meter					
Customer Charge	\$87.52	\$97.49	\$9.97		
Consumption	\$3,080.00	\$3,430.97	\$350.97		
Total 2000 HCF	<u>\$3,167.52</u>	<u>\$3,528.46</u>	<u>\$360.94</u>	11.395%	<u>882.11</u>
<u>Industrial</u>					
10,000 HCF w/ 6in. meter					
Customer Charge	\$536.96	\$598.15	\$61.19		
Consumption	\$15,000.00	\$16,709.25	\$1,709.25		
Total 10,000 HCF	<u>\$15,536.96</u>	<u>\$17,307.40</u>	<u>\$1,770.44</u>	11.395%	<u>4,326.85</u>
<u>Industrial (Large)</u>					
50,000 HCF w/ 10in. meter					
Customer Charge	\$915.64	\$1,019.98	\$104.34		
Consumption	\$75,000.00	\$83,546.25	\$8,546.25		
Total 50,000 HCF	<u>\$75,915.64</u>	<u>\$84,566.23</u>	<u>\$8,650.59</u>	11.395%	<u>21,141.56</u>
	D 3163 Rates	Proposed Rate	Dollar Increase	Percent <u>Increase</u>	Monthly Bill
<u>Wholesale</u>					
400,000 HCF	\$304,263	\$338,934	\$34,671	11.395%	\$28,245
2,500,000 HCF	\$1,901,645	\$2,118,338	\$216,693	11.395%	\$176,528

Rate Comparison
Providence Water

Retail Consumption Charge					
Class		Current Rate	Proposed Rate	Net Change	% Change
Residential	per HCF	\$1.61	\$1.79	\$0.18	11.395%
Commercial	per HCF	\$1.54	\$1.72	\$0.18	11.395%
Industrial	per HCF	\$1.50	\$1.67	\$0.17	11.395%

Retail Service Charge									Private Fire Service Charge			
Meter/Service (inches)	Current Quarterly	Proposed Quarterly	Net Change	% Change	Current Monthly	Proposed Monthly	Net Change	% Change	Current Quarterly	Proposed Quarterly	Net Change	% Change
5/8	\$10.00	\$11.14	\$1.14	11.395%	\$5.95	\$6.63	\$0.68	11.395%	-	-	-	-
3/4	\$10.71	\$11.93	\$1.22	11.395%	\$6.16	\$6.86	\$0.70	11.395%	\$10.77	\$12.00	\$1.23	11.395%
1	\$12.57	\$14.00	\$1.43	11.395%	\$6.78	\$7.55	\$0.77	11.395%	\$14.26	\$15.88	\$1.62	11.395%
1-1/2	\$15.05	\$16.76	\$1.71	11.395%	\$7.60	\$8.47	\$0.87	11.395%	\$23.00	\$25.62	\$2.62	11.395%
2	\$21.88	\$24.37	\$2.49	11.395%	\$9.88	\$11.01	\$1.13	11.395%	\$33.48	\$37.30	\$3.82	11.395%
3	\$72.16	\$80.38	\$8.22	11.395%	\$26.64	\$29.68	\$3.04	11.395%	-	-	-	-
4	\$90.79	\$101.14	\$10.35	11.395%	\$32.85	\$36.59	\$3.74	11.395%	\$92.87	\$103.45	\$10.58	11.395%
6	\$134.24	\$149.54	\$15.30	11.395%	\$47.33	\$52.72	\$5.39	11.395%	\$180.22	\$200.76	\$20.54	11.395%
8	\$183.90	\$204.86	\$20.96	11.395%	\$63.89	\$71.17	\$7.28	11.395%	\$285.03	\$317.51	\$32.48	11.395%
10	\$228.91	\$254.99	\$26.08	11.395%	\$78.89	\$87.88	\$8.99	11.395%	\$407.30	\$453.71	\$46.41	11.395%
12	\$273.92	\$305.13	\$31.21	11.395%	\$93.89	\$104.59	\$10.70	11.395%	\$547.05	\$609.39	\$62.34	11.395%
Based on Meter Size					Based on Meter Size				Based on Service Size			

Wholesale Consumption Charge				
	Current Rate	Proposed Rate	Net Change	% Change
Per Million Gallons	\$1,017.00	\$1,132.89	\$115.89	11.395%

Hydrant Charge				
	Current Rate	Proposed Rate	Net Change	% Change
Per Hydrant Per Year	\$188.97	\$210.50	\$21.53	11.395%